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FISCAL IMPACT STATEMENT

LS 6510

BILL NUMBER: SB 421

NOTE PREPARED: Dec 10, 2010

BILL AMENDED:

SUBJECT: Eminent Domain Involving Religious Organizations.

FIRST AUTHOR: Sen. Hume

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that before a condemnor may exercise the power of eminent domain to acquire real property that is owned by a religious organization, the condemnor must: (1) establish a proposed purchase price for the real property that is at least equal to the greater of the appraised fair market value of the real property or the appraised replacement value of the real property, including all buildings, structures, and other improvements on the real property; (2) provide the owner of the real property with the appraisals used to establish the proposed purchase price; and (3) conduct good faith negotiations with the owner of the real property. It makes conforming amendments.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Summary:* There may be fewer eminent domain acquisitions completed that involve the state in future years. Any impact would depend on the state's willingness to pay, if the price was not able to go below the appraised value of the property or the replacement value of the property and all improvements on the property.

Background- Current law only requires the establishment of a purchase price with an appraisal or other evidence as provided to the property owner. The law is silent on whether the final price could be above or below the appraised value.

Explanation of State Revenues:

Explanation of Local Expenditures: A local unit of government may have to agree to higher purchase

prices in future eminent domain proceedings. Fewer eminent domain acquisitions may occur if the price was not able to go below the appraised value of the property or the replacement value of the property and all improvements on the property.

Explanation of Local Revenues:

State Agencies Affected: State Department of Administration.

Local Agencies Affected: Local units of government with power of eminent domain.

Information Sources:

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